



INTELLECTUAL PROPERTY LAW SECTION NEWSLETTER

A NOVEL EXPRESSION OF CONFUSION

SCOTT M. FRANK, CHAIR

SPRING 2004

N. ANDREW CRAIN, EDITOR

CHAIR'S COMMENTS...



Scott Frank, Section Chair

It seems like just the other day that Jeff Kuester was passing me the captain's cap for your IP Section ship. Now, as I write my last Chair's Comments and I prepare to pass the cap to Mike Hobbs, I continue to be reminded about how fast time flies when you're aboard a great ship...having fun...and cruising with great people.

This year has been an incredibly active one for the Section. My fellow shipmates on the Executive Committee helped me navigate our Section's ship to places all over the map. Mike Hobbs (Chair-Elect), Doug Isenberg (Vice-Chair), Griff Griffin (Secretary) and Judy McCool (Treasurer) did a superb job of helping me to steer the IP ship throughout the year. All of our Committee Chairs, Wab Kadaba (Social) and (our recently added Litigation Chair) Art Gardner, put on excellent events and made the IP ship fun and educational. Additionally, Andrew Crain (Newsletter Chair) and Julie Sinor (Website Chair) continued to do outstanding jobs and make our Section look "ship shape."

In the last newsletter, I summarized the Section's activities through the end of 2003. For those of you who couldn't keep up with the ship's activities in 2004, here's a brief overview of some of them.

We kicked off the new year with "Filling Your Toolbox: Skills and Updates for the Intellectual Property Attorney" on February 4. Brian Johnson from Trapezium Communications presented "Making an Impression: Communication Skills for Litigators and Transactional Attorneys"; Rodgers Lunsford of Smith, Gambrell presented "Professionalism and Intellectual Property Law"; Michael Landau of Georgia State University School of Law presented the "Copyright Law Update"; Mike Hobbs of Troutman Sanders presented the "Trademark Law Update"; and Shane Nichols of King and Spalding and Doug Weinstein of Finnegan, Henderson presented the "Patent Law Update." A special thanks to Mike Hobbs and Art Gardner for pulling this full day CLE event together. After the event, Peter Pawlak convened the trademark

lawyers in our Section for a happy hour. This was held at McCormick & Schmick's.

As a way to get the Section members together around a holiday event without all of the end of the year holiday conflicts, the Section held its first ever Mardi Gras party. It was held on February 20 at the Commune. There was a large turnout, and this event was a big success. A special thanks to Steve Wigmore for his efforts in putting it on.

Art Gardner then followed up on March 10 with the "Dirty Dozen: 12 Strategic Mistakes Commonly Made by Patent Lawyers." He gave an excellent presentation and actually gave the crowd a "Baker's Dozen."

The Copyright and Patent Committees then teamed up on March 24, where John Renaud and Wab Kadaba put together "Protecting Software: Copyright and Patent Strategies." John moderated, and Geoff Sutcliffe of BellSouth and Alex Fonorof of *Chair's Comments (Continued on page 2)*



Chair-elect Mike Hobbs (right) presenting current and outgoing Chair Scott Frank a plaque recognizing and thanking Scott for his work as IP Section Chair and in leading the Section to win the Section Achievement Award. See page 7.

CALENDAR OF EVENTS

**New Local Patent Lit. Rules June, 2004
Roundtable** *More information
to come*

**Summer Associate Cocktail June 15, 2004
Reception** *5:00 - 7:30 p.m.
Park Tavern*

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EDITOR'S NOTES

by N. Andrew Crain

Greetings and welcome to the Spring 2004 edition of the IP Section's Newsletter, A NOVEL EXPRESSION OF CONFUSION. This issue is full of great articles as well as recaps of and pictures from recent Section events.

Within this issue, you will find an article by Hunter Yancey about the patent infringement trap for educational research institutions in relation to the experimental use defense, as dealt with in the *Mabry v. Duke* case. This issue also contains a timely and interesting article by Chris Arena, Ken Massaroni and Alison Danaceau about the use of *Festo* experts in patent litigation.

Thank you to each contributor for participation in the Spring 2004 edition of the IP Section's Newsletter. Thanks also go to Mrs. Cory Rose who, as with previous issues, did an outstanding job in composing this issue's layout.

Have a great summer!

* * * * *

Andrew is an associate with the intellectual property law firm of Thomas, Kayden, Horstemeyer & Risley, LLP. Andrew's practice is concentrated on patent and trademark preparation, prosecution, and related litigation in a wide range of electrical and electromechanical arts, including computers, software, and telecommunications. Andrew earned both his B.S. in Electrical Engineering and his J.D. from the University of Alabama.

Chair's Comments (Continued from page 1)

Kilpatrick Stockton spoke on optimally using these two forms of IP to protect software. Peter then put on "Trademarks for Non-Lawyers" for the business people in our community on April 1 (this is no joke). Brad Groff of Gardner Groff presented the "Basics of Trademark Applications"; Peter Pawlak spoke on "Trademark Disputes;" and Jeri Sute of Troutman Sanders talked about "Domain Names."

On April 15, the IP Section then put on a seminar in conjunction with the Atlanta Electronic Commerce Forum. Alex Fonorof and Steve Wigmore presented "The Building Blocks of Intellectual Property Protection for E-Commerce", and Doug Isenberg presented on "Intellectual Property Issues in Online Advertising."

Finally, as we go to print, we have several other events planned through June, some of which have been held. These include an "Experts on IP Litigation" panel discussion on May 12 and a "New Local Patent Litigation Rules" roundtable in June (contact Art for details); as well as a Summer Associate Cocktail Party on June 15 (contact Wab for more details). I'm also pleased to announce the creation of the Sandra J. Evans Writing Competition, which will be open to all law school students. Students will write on a topical IP issue relevant to Georgia lawyers, and prizes will be awarded to

the top three submissions (including a trip to the 2004 IP Institute for the winner). Sandy is one of Georgia's first women intellectual property attorneys, and a former Chair of our Section. She built her stellar reputation while practicing her entire career at BellSouth. Mike Hobbs may be contacted for more details.

For those of you considering a more active role in the Section, I strongly encourage it. For those of you who have recently given your time and energy to the Section, I applaud you. And for those of you who I have personally had the opportunity to work with in my close to ten years on the Executive Committee, I thank you for everything you've done to help and support my efforts...and most of all...for your friendship. I look forward to seeing even more of all of you in the years to come.



Chair's Comments (Continued on page 11)

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TRADEMARK COMMITTEE OF IP LAW SECTION PRESENTS "TRADEMARK 101 FOR THE BUSINESS PERSON"

BY: JAMES D. ARNOWITZ

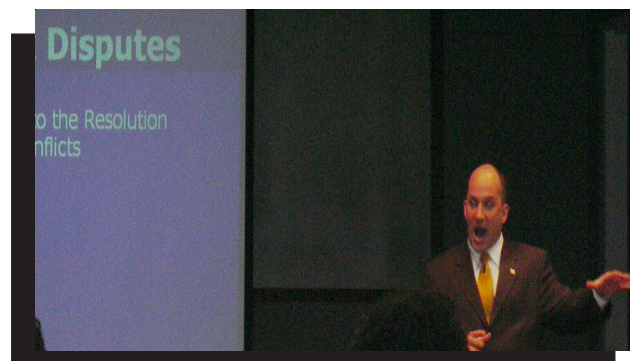
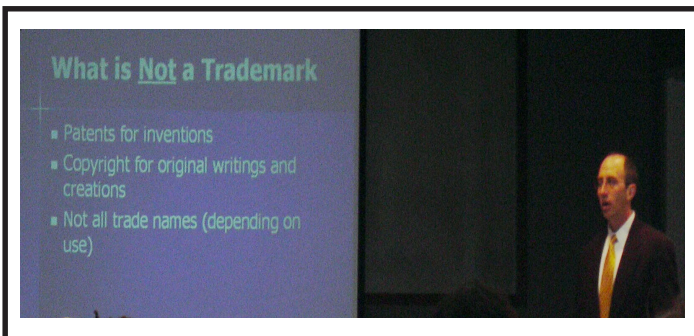
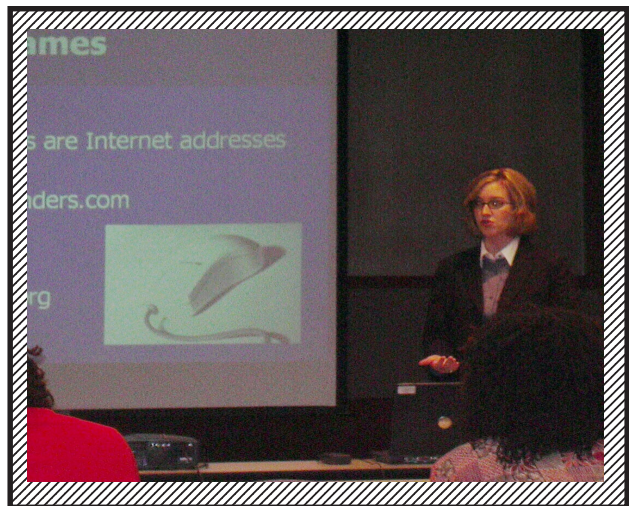


On April 1, 2004, the Trademark Committee of the IP Law Section hosted "Trademark 101 for the Business Person", a half-day seminar presented to non-lawyers at the State Bar building. The seminar was targeted at advertising and marketing groups as well as small businesses to introduce them to basic trademark issues.



Brad Groff of Gardner Groff, P.C. opened the presentation by discussing the basics of trademark law and introducing the audience to the issues of spectrum of distinctiveness, searches for prior uses, and registration. The Committee chair, Peter J. Pawlak, Jr. of Troutman Sanders, LLP, followed with a discussion of trademark disputes and the importance of determining trademark rights and likelihood of confusion. He also provided tips on how to handle conflicts prior to litigation. Jeri N. Sute, also of Troutman Sanders, concluded the seminar with a presentation on internet domain names and related disputes.

The seminar was well received and hopefully will prove helpful to those who attended.



THE PATENT INFRINGEMENT TRAP FOR EDUCATIONAL RESEARCH FACILITIES

MADEY V. DUKE UNIVERSITY

By: HUNTER YANCEY*



Hunter Yancey is an associate in the Intellectual Property group of Troutman Sanders, LLP. Hunter holds a Bachelor of Electrical Engineering Degree from Georgia Tech and earned his J.D. at Franklin Pierce Law Center in Concord, NH.

Educational research facilities associated with many of our nation's college and universities are great sources of innovation. The passage of the Bayh-Doyle Act solidified the federal government's belief that college and university research facilities are an important supply of emerging technologies as this act allowed colleges and universities to patent and license federally funded inventions. The passage of this act has also dramatically increased the quantity and quality of resources that colleges and universities dedicate to research since colleges and universities stand to gain substantial revenue from patenting the fruits of their research ventures. One only needs to look at the recent success of Cal-Tech's design of the Mars rovers that are currently exploring the red planet's surface and the revenue that Cal-Tech will receive from various license agreements licensing the patents covering the Mars rovers.¹ The Association of University Technology Managers ("AUTM") approximates that over 2,000 products developed from educational research have entered the marketplace since 1998 and that educational institutions have received over \$1.2 billion in gross license income in fiscal year 2002.²

Countless other ideas from both private and public college and university researchers have spawned many products in many areas of technology. For example, two Virginia Tech researchers produced a life-saving test for a disease called *clostridium difficile*³ that kills many people worldwide, and a North Carolina State University professor created a three-dimensional weaving technique that produces lightweight super strong textile composites used in automobiles and in the aerospace industry.⁴ Although, the nation's many college and university researchers may study different technologies and methods applying these technologies, they all perform countless hours of research to make their discoveries. And, it is this research that may be jeopardized and may not qualify for the common law experimental use of patent infringement defence according to a recent Federal Circuit decision.

Until recently, many believed that the experimental use defense immunized educational researchers and their respective educational institutions patent infringement liability. This belief, however, is no longer valid - all educational research entities must now be mindful of patent infringement dangers. The *Duke v. Madey*⁵ decision leaves no doubt as to whether or not college or university (profit or non-profit) researchers can take advantage of the experimental use defense. *Madey* lays down a bright line rule that those colleges or universities actively involved in researching and patenting activities can not raise the defense. Some commentators have observed that this holding "promises to set off a lively debate about the direction of research at federally funded universities" and that domestic research centers like many other industries may be "shunted to offshore sites, where there is no problem of infringement."⁶ Many hoped that the Supreme Court would overturn *Madey*, but the Court declined to review the Federal Circuit's holding.⁷

Justice Story is most often credited with creating the common law experimental use defense in 1813.⁸ The experimental use defense shields those experimenting with patented inventions from patent infringement liability. In *Whittemore v. Cutter*, Justice Story observed that "it could never have been the intention of the legislature to punish a man who constructed such a machine merely for philosophical experiments, or for the purpose of ascertaining the sufficiency of the machine to produce its described effects."⁹ And by 1861, most considered "well settled, that an experiment with a patented article for the sole purpose of gratifying a philosophical taste, or curiosity, or for mere amusement, is not an infringement of the rights of the patentee." The Federal Circuit first considered the experimental use defense in *Roche Prods. v. Bolar Pharms. Co.*¹¹ In *Roche*, the Federal Circuit following binding precedent from the Court of Claims and held that only those whose use was not for business, but "was for amusement, to satisfy idle curiosity, or for strictly philosophical inquiry"¹² could avail themselves of the defense. Taking Justice Story's view into account, the Federal Circuit observed that "[w]e cannot construe the experimental use rule so broadly as to allow a violator of the patent laws in the guise of 'scientific inquiry,' when that inquiry has definite, cognizable, and...[s]ubstantial commercial purposes."¹³ Although, a literal reading of the *Roche* holding appears to have curtailed educational researchers from using the experimental use defense, one may surmise that many educational institutions believed that its holding did not apply to them because neither party in *Roche* was an educational institution. The Federal Circuit's *Madey* decision, however, ends all speculation surrounding educational institutions and the ex-

Patent Infringement (Continued on page 5)

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Patent Infringement (Continued from page 4)

perimental use defense and appears to have narrowed the scope of the experimental use defense.

The *Madey* facts provide a classic employee/employer relationship run afoul. In the mid 1980's, Dr. John M.F. Madey left Stanford University to take a tenured position at Duke University. Madey was highly regarded in the laser research field and prior to moving to Duke, he became the sole owner of two patents claiming several free-electron laser machines. When Madey moved to Duke he also moved his laser equipment that practiced the inventions covered by his two patents. Duke eventually removed him from his position which ultimately led to Madey's resignation. After Madey resigned, Duke continued to operate Madey's laser equipment and he then sued for patent infringement. The district court issued a summary judgment ruling in favor of Duke holding that Duke as a non-profit education institution was exempted from patent infringement liability under the experimental use defense.

The Federal Circuit overruled the district court for several reasons and also closed the door for many colleges and universities from using the experimental use defense.¹⁴ Before reviewing the district court's summary judgment decision, the Federal Circuit stated that the common law experimental use defense still exists "in [a] very narrow form."¹⁵ The Federal Circuit then discussed that the district court improperly required Madey to show that Duke's use of his patented technology was not experimental and that Duke, the alleged infringer, had to successfully raise the defense, if it could, to escape patent infringement liability. The Federal Circuit then addressed the scope of the experimental use defense and found that the district court inappropriately broadly construed the defense. The *Madey* court further found that the district court wrongly relied on *Ruth v. Stearns-Roger Mfg. Co.*¹⁶ because *Ruth* is inconsistent with Federal Circuit precedent. *Ruth* presented a case similar to *Madey* in that a patentee sued the Colorado School of Mines, a non-profit educational institution, for contributory infringement. The *Madey* court held that *Ruth* was inconsistent with Federal Circuit precedent because the *Ruth* court made no "detailed analysis of the character, nature and effect of the use."

In discussing Federal Circuit precedent, the *Madey* court emphasized that "[o]ur precedent clearly does not immunize use that is in any way commercial in nature." The Federal Circuit also stressed that its experimental use defense precedent does not protect use "that is in keeping with the alleged infringer's legitimate business, regardless of commercial implications." Ultimately, the Federal Circuit ruled that *Duke* could not raise the experimental use defense to protect itself from infringement liability. The *Madey* court reasoned that Duke's research projects advance its business goals that include educating students and faculty, securing future monetary contributions to perform research, and raising Duke's image to attract students and faculty. It is interesting to note that the Federal Circuit found Duke's patent and licensing

program important in its analysis and noted that Duke "is not shy in pursuing an aggressive patent licensing program from which it derives a [substantial] revenue stream." In remanding the case to the district court, the Federal Circuit directed that the focus of the experimental use defense analysis should be on "the legitimate business Duke is involved in and whether or not the use was solely for amusement, to satisfy idle curiosity, or for strictly philosophical inquiry," and not on Duke's non-profit status. Thus, it appears that the Federal Circuit has constricted the experimental use defense so tightly that educational research facilities reaping a revenue stream from its research do not qualify for the defense. In other words, the Federal Circuit now mandates that federal courts must ascertain the purpose for an experimental use and whether that use has any commercial implication for a research facility in applying the experimental use defense. This rule should concern all educational research facilities.

Colleges and universities may want to contemplate several factors when formulating a strategy to comply with *Madey*. One large factor is the private/public status of an educational research facility. State funded entities are currently immune from liability in federal courts and are potentially immune from state court liability as well.¹⁷ The immunity, however, is not absolute as injunctive relief is still available and patentees may be able to collect damages by suing state employees in their individual capacities as opposed to their official capacities.¹⁸ Additionally, pending legislation seeks to alter the current state of sovereign immunity for state funded entities.¹⁹ Private colleges and universities, on the other hand, likely do not qualify for any immunity and should be cognizant of patent infringement liability and especially treble damages which are recoverable for willful infringement.

Other factors should also be considered when formulating a strategy. For example, liability may differ depending on where the research money originates. If the research is federally sponsored, then a research facility will probably be immune from patent infringement liability and the patentee's only recourse is against the federal government in the Federal Court of Claims. Similarly, if the research money is state funded, then the research facility may be able to claim sovereign immunity and potentially escape monetary damages. If the research is funded by a private organization, then the research facility and donor may be subject to patent infringement liability.²⁰

Other steps may also be taken to avoid the problems associated with *Madey*. For example, employment contracts may be drafted to grant employers royalty free licenses for research, or other purposes, in exchange for tenure or other consideration. Another solution may avoid litigation altogether as a university or college could enter into a cross license so that the university or college and patentee could practice each other's patent for educational purposes or for other limited purposes. An alternative solution could also involve structuring a royalty sharing agreement be-

Patent Infringement (Continued on page 7)

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FEBRUARY 20, 2004



IF YOU HAVE NOT HEARD,
THE NEXT IP INSTITUTE IS
SCHEDULED TO BE IN
CABO SAN LUCAS!
STAY TUNED FOR MORE INFO.

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Patent Infringement (Continued from page 5)

tween a patentee and a university or college, or an agreement whereby a patentee donates the patent for a profit share. Still yet another solution is to operate university or college research facilities much like private organizations and not disclose research fruits. While this option may seem dramatic and against the nature of educational institutions, it nonetheless strongly underscores that all educational institutions, public and private, should create and implement a policy that governs the scope and breadth of research. Your educational institution clients now need your help and counsel with regard to patent infringement liability. Be prepared when they call.

Endnotes:

* Hunter Yancey is an Intellectual Property associate in the Atlanta, Georgia office of Troutman Sanders, LLP. The opinions are solely his and are not endorsed by Troutman Sanders, LLP.

¹ See e.g., U.S. Patent No. 6,267,196 which discloses and claims a high mobility vehicle. This patent is just one example of patents procured by Cal-Tech when designing and creating the Mars Rovers. Cal-Tech has entered into license agreements with Lego, Inc. and AFC Enterprises to sell Rover toys, potentially producing a large revenue stream from the Rover patents.

² See *AUTM Licensing Survey: FY 2000* available at <http://www.autm.net/surveys/02/2002public.pdf>.

³ U.S. Patent No. 4,533,630 discloses and claims a test for detecting, *Clostridium difficile*, a deadly form of diarrhea that kills many people worldwide. When detected early with the tests disclosed in this patent the disease can be cured. Although this type of test is not what many think of as a breakthrough invention, it shows the vastness of our nation's educational researches. See www.research.vt.edu/resmag/1998mag/articles/patents.html for more information.

⁴ See <http://www.lib.ncsu.edu/archives/exhibits/patents/textiles.htm>. This website also highlights other North Carolina State professors conducting research in the textile arena and the patents they have obtained.

⁵ 307 F.3d 1351 (Fed. Cir. 2002).

⁶ Maebius, Stephen B. & Wegner, Harold C., *Ruling on Research Exemption Roils Universities*, *The National Law Journal*, Vol. 26, No. 17, December 16, 2002.

⁷ *Duke v. Madey*, 123 S. Ct. 2639 (2003).

⁸ The judicially created experimental research defense has never been codified, but 271(e) now affords a similar defense. Section 271(e) provides a safe harbor provision (also known as the FDA exemption) that permits pharmaceutical companies to conduct experiments before a competitor's drug patent expires as long as those activities are reasonably related to securing regulatory approval. *Integra Lifesciences I, Ltd. v. Merck KGaA*, 331 F.3d 860, 865 (Fed. Cir. 2003).

⁹ 29 Fed. Cas. 1120, 1121 (C.C.D. Mass. 1813).

¹⁰ *Poppenhusen v. Falke*, 19 Fed. Cas. 1048, 1049 (C.C.S.D.N.Y. 1861).

¹¹ 733 F.2d 858 (Fed. Cir. 1984).

¹² *Roche*, 733 F.2d at 863.

¹³ *Id.*

¹⁴ The CAFC has referred to experimental use defense in various ways, and as noted by the *Madey* court, it is also an exception

meaning that this defense does not have to be raised in the pleading stage of a patent infringement action. *Madey*, 307 F.3d at 1361.

¹⁵ *Madey*, 1361.

¹⁶ 13 F. Supp. 697 (D. Colo. 1935).

¹⁷ *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank*, 527 U.S. 627 (1999) (striking down Congressional act authorizing patent infringement suits against the states); *State Contracting and Engineering Corp. v. Florida*, 258 F.3d 1329 (Fed. Cir. 2001) (applying *Florida Prepaid* in patent infringement action against state of Florida).

¹⁸ *Ex Parte Young*, 209 U.S. 123 (1908) (holding that injunctive relief against state governments is not barred by the Eleventh Amendment); *Scheuer v. Rhodes*, 416 U.S. 232, 237-48 (1974) (discussing qualified immunity and actions against state officials in their private capacity).

¹⁹ Intellectual Property Protection Restoration Act of 2003, S. 1191 and H.R. 2344. Senator Patrick J. Leahy and Rep. Lamar Smith have sponsored these bills.

²⁰ Gutttag, Eric W., *Immunitizing University Research from Patent Infringement: The Implications of Madey v. Duke University*, *AUTM Journal* Volume XV at 14 (2003).



INTELLECTUAL PROPERTY LAW SECTION

TO RECEIVE

SECTION ACHIEVEMENT AWARD

The Section Achievement Award will be given at the 2004 Annual Meeting at the Portofino Bay Hotel in Orlando, Florida on Friday, June 18, 2004 during the Plenary Session. President Bill Barwick will present the award. Out of 35 sections, only 3 will be recognized during the Plenary Session. One section will be awarded the Section of the Year and two sections will receive Section Achievement Awards

The Intellectual Property Law Section was awarded the Section of the Year award in 2003 and will again be recognized in 2004 as one of the premier sections.

**FESTO: HOW AND WHY DOES THE NEW REBUTTABLE PRESUMPTION FROM
FESTO AFFECT EXPERT TESTIMONY IN A PATENT INFRINGEMENT
CASE OF EQUIVALENTS**

BY: CHRIS ARENA, KEN MASSARONI AND ALISON DANACEAU

In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 535 U.S. 722, 740-41 (2002), *vacating* 234 F.3d 558 (Fed. Cir. 2000), the U.S. Supreme Court held that there is a presumption that a narrowing amendment surrenders the particular equivalent in question, but that the presumption is rebuttable where the equivalent was unforeseeable at the time of the patent application. As such, a cottage industry of *Festo* experts in patent infringement cases may arise, to testify about future and alternative equivalent inventions that may or may not have been foreseeable at the time of the narrowing amendment. The proper scope and timing of the proposed *Festo* expert testimony, however, is open for debate. However, it would appear that the *Festo* expert may be combined with and alter the scope and timing of the *Markman* hearing.

1. Festo and the Doctrine of Equivalents

A. Festo in general.

Under the doctrine of prosecution history estoppel, a narrowing amendment for reasons of patentability estops the patent holder from later claiming that an equivalent infringes upon its patent. In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 574 (Fed. Cir. 2000) ("*Festo VI*"), the Federal Circuit Court held that prosecution history estoppel "acts as a complete bar to the application of the doctrine of equivalents when an amendment has narrowed the scope of a claim for a reason related to patentability." In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 740-41 (2002) ("*Festo VIII*") the Supreme Court vacated Federal Circuit Court's decision and held that, while a narrowing amendment made to satisfy any requirement of the Patent Act *may* give rise to a presumption of estoppel, the presumption was rebuttable.

A patent holder can overcome the *Festo* presumption of prosecution history estoppel by demonstrating that "at the time of the amendment, one skilled in the art could not reasonably be expected to have drafted a claim that would have literally encompassed the supposed equivalent." *Id.* at 741. The *Festo* presumption is overcome by demonstrating: (a) that the equivalent was unforeseeable at the time of the amendment; (b) the rationale underlying the amendment bore no more than a tangential relation to the equivalent in question; and (c) there was some other reason that the patentee could not reasonably be expected to have described the insubstantial substitute. *Id.*

On remand, in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 344 F.3d 1359 (Fed. Cir. 2003) ("*Festo IX*"), the Federal Circuit Court held that the criterion set forth by the U.S. Supreme Court "presents an objective inquiry, asking whether the alleged equivalent would have been unforeseeable to one of ordinary skill in the art *at the time of the amendment.*" *Id.* at 1369 (emphasis added). Thus, if the alleged equivalent of a product represents technology that developed *after* the time of the narrowing amendment, it would not have been foreseeable. *Id.* Alternatively, if the technology existed at the time of the narrowing amendment, the alleged equivalent will more likely be seen as foreseeable. *Id.* For example, "if the alleged equivalent were known in the prior art in the field of the invention, it certainly should have been foreseeable at the time of the amendment." *Id.*

The Federal Circuit Court's decision in *Festo IX* does not specify *when* a patent owner can rebut the presumption that prosecution history estoppel bars application of the doctrine of equivalents, but it would follow from it that expert witnesses can be proffered to testify at the time of claims construction, i.e., to testify about whether a claim could reasonably have been drafted that would have literally encompassed an alleged equivalent. *Festo* will certainly implicate both technical experts (i.e., does the claim literally read on the accused device technically?) and patent draftsman/law experts (i.e., is the claim proper under law?).

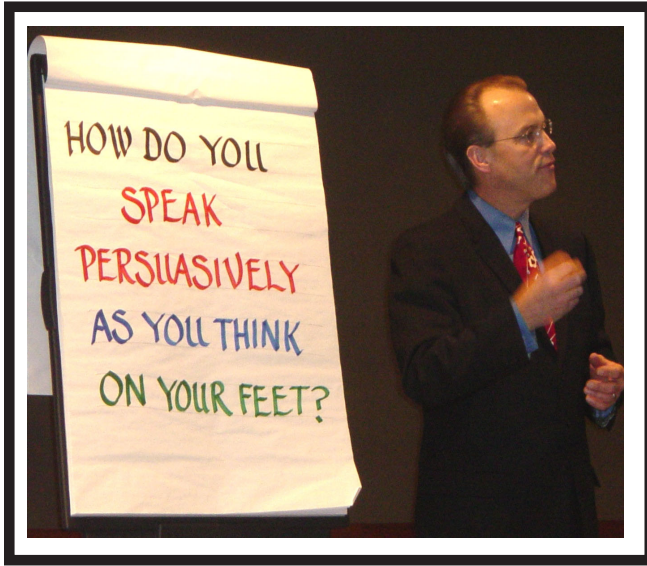
B. The Festo expert.

The *Festo* expert's testimony will assist the court in determining whether a range of equivalents will be available to a particular claim element in an infringement action. The *Festo* presumption probably cannot be rebutted without expert testimony. In fact, District Courts, following *Festo IX*, have been relying upon expert testimony.

For example, in *Amgen, Inc. v. Hoeschst Marion Roussel, Inc.*, 287 F.Supp.2d 126, 142 (D. Mass. 2003), the court held that it would examine extrinsic evidence, including expert testimony, to evaluate the prosecution history in determining whether Amgen had rebutted the *Festo* presumption of estoppel. *Id.* The Court held that it would consider extrinsic evidence, however, "only when that evidence does not *contradict* the intrinsic evidence" (i.e., the patent, the specification, and the prosecution history). *Id.* The court held that, while it would "not go so far as to consider the subjective intent of the patentees when such intent is

Festo (Continued on page 10)

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Festo (Continued from page 8)

to do so on its own." *Amgen*, 287 F. Supp.2d at 143.

Thus, the *Festo* foreseeability issue may arise when a court is considering the *Markman* issues, i.e., the history of the patentee's invention, and deciding the scope and interpretation of the claim. Expert testimony on the *Festo* foreseeability issue, if allowed under *Markman*, may overlap with the claim construction process. Moreover, evidence related to foreseeability requires an analysis of what one of ordinary skill in the art would have expected at the time of the amendment modified by the subjective intent of the patentee.

II. The *Markman* Expert

A. *Markman* hearing.

District Court Judges are charged with the task of defining the patent claim term. *Markman v. Westview Instruments, Inc.*, 517 US 370 (1996). Defining the meaning and scope of the claim terms is the first step in any patent infringement or patent invalidity analysis. *Dow Chem. Co. v. United States*, 226 F.3d 1334 (Fed. Cir. 2000).

The Federal Circuit has expressed its preference to interpret claim language first by intrinsic evidence, i.e., the patent's claims, specification, and prosecution history. See *Vitronics Corp. v. Conception, Inc.* 90 F.3d 1576, 1582-83 (Fed. Cir. 1996). Courts often have taken *Vitronics*, to be a strong discouragement to use of expert testimony. In *Vitronics*, the Court held that expert testimony is "rarely, if ever" proper. *Id.* Rather, the District Court should only consider extrinsic evidence "if there were still some genuine ambiguity in the claims, after consideration of all available intrinsic evidence." *Id.*

B. The *Markman* expert.

However, seldom, if ever, will a District Court Judge be one of ordinary skill in the art of the invention. Rather, an empirical study shows that District Court Judges improperly construe patent claim terms in 33% of the cases appealed to the Federal Circuit. See Kimberly A. Moore, "Are District Court Judges Equipped to Resolve Patent Cases?" *Harv. J.L. & Tech.* (Fall 2001). Thus, in *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1314 (Fed. Cir. 1999), the Federal Circuit Court held that "[t]he process of claim construction at the trial court level will often benefit from expert testimony which may (1) supply a proper technological context to understand the claims (words often have meaning only in context), (2) explain

the meaning of claim terms as understood by one of skill in the art (the ultimate standard for claim meaning), and (3) help the trial court understand the patent process itself."

Expert testimony regarding claim construction can be valuable to the extent that it promotes accurate claim construction and, as a result, increases the efficiency. Claim construction hearings may be enhanced by the use of expert testimony.

III. Interaction between *Festo* and *Markman*

Although a *Markman* claim construction hearing is independent from a patent infringement claim based on the doctrine of equivalents, prosecution history estoppel for narrowing amendments applies to both patent infringement AND claim construction hearings. Moreover, as the court in *Amgen* noted "consideration of extrinsic evidence" in a *Festo* analysis "like *Markman* blur[s] the line between the role of judge and jury." *Amgen*, 287 F.Supp.2d at 143.

There is therefore an obvious tension between the current timing and scope of the *Markman* hearing and the appropriate timing and scope of the *Festo* analysis. In *Amgen*, the District Court noted that "courts regularly--and in fact ought [to]--construe claims without resort to expert testimony regarding how one skilled in the art would interpret the claims, a court's claim construction often narrows the claim in a way that may have been unintended by the patentee." *Id.* at 155. Yet, "[s]uch narrowing is the reason why the doctrine of equivalents was created--to capture, despite the inadequacies of language, the essence of the invention in light of technological advances." *Id.* "Undeniably, there is a difference between how a court approaches claim construction and how it approaches the doctrine of equivalents and prosecution history estoppel." *Id.* at 155-56.

There are several alternative scenarios which may resolve the interplay between *Festo* and *Markman*. First, the *Festo* expert may testify as to the interpretation of patent prosecution at the *Markman* hearing. *Markman* is currently, theoretically, decided in a vacuum, without regard to infringement or invalidity concerns (except with respect to prosecution history estoppel). Nonetheless, most judges resolve *Markman* in the context of summary judgment proceedings. In a case where prosecution history estoppel is relevant or dispositive, the parties may seek to produce *Festo* expert foreseeability testimony at the *Markman* hearing so as to promote a particular claims construction. See, e.g., *Engineered Prods Co. v. Donaldson Co., Inc.*, 2004 WL 801646, #24 (N.D. Iowa, April 13, 2004) (under *Festo*, the Court may be required to determine whether the application "narrowed" the definition during the course of prosecution of the patent to determine what structure corresponds to the claimed function.)

Festo (Continued on page 11)

A NOVEL EXPRESSION OF CONFUSION

Festo (Continued from page 10)

Under this scenario, the *Festo* expert will influence the *Markman* claims construction process. Perhaps *Festo* provides another, enhanced, context for resolving *Markman* issues.

Alternatively, a court may conduct a *Festo* hearing following the *Markman* ruling. Under this scenario, the *Festo* expert may support the *Markman* ruling. *Festo* after *Markman* would assist in narrowing the scope of the foreseeability analysis, but creates a risk for inconsistency.

Finally, the meaning of the claims will help define the alternatives for the foreseeability analysis. To the extent that the *Festo* expert is limited to comparing the claim, as construed, to the challenged device, there may be no overlap. Thus, the *Festo* decision could be made prior to the *Markman* hearing.

Ultimately, the proper procedure to reconcile *Markman* with *Festo* may well turn on judicial economy. Many agree that an early *Markman* hearing is preferable for judicial economy. However, a *Festo* analysis requires further development of the record. See, e.g., *Canton Bio-Medical, Inc. v. Integrated Liner Tech., Inc.*, 19 F. Supp. 2d 22, 32 (N.D.N.Y. 1998) (relying in part on expert opinion to determine what was surrendered with the amendment and holding that "[a]fter considering the arguments of the parties, their briefing and submissions, the entire relevant record, and the applicable law, the [c]ourt finds that the Defendant's accused process does not infringe the Plaintiff's...patent, as a matter of law, based upon the application of prosecution history estoppel."). To improve *Markman* results (greater than the current 33% success rate), combining a *Markman* hearing with a *Festo* analysis makes most sense, although it adds the cost of discovery and experts to the *Markman* process and may delay the *Markman* hearing.

IV. Conclusion

In the end, the problems and issues of experts in patent infringement cases will continue. It remains to be seen if the use of experts who will testify to the foreseeability of particular future and alternative devices will alter the timing and scope of the *Markman* hearing. The trial courts and the Federal Circuit Court of Appeals will remain in the process of hashing these issues out so as to introduce more certainty into the process of proceeding on a patent infringement claim on the basis of equivalents.

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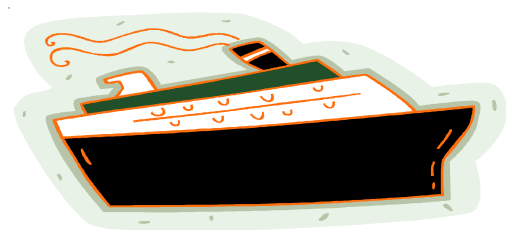
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Chair's Comments (Continued from page 2)

As I sign off on my last voyage as the IP Section Chair, it is difficult to put into words what an extraordinary year this has been. It has been great to interact with all of my fellow Executive Committee members, Johanna Merrill at the State Bar, our various panelists and speakers, and all of the members of our Section with whom I had an opportunity to spend some time. This past year has been a wonderful opportunity to connect and reconnect with many people, as well as share in many experiences which are now wonderful memories.

In closing, it has truly been an honor to have captained your IP Section ship this year, and together I believe we have navigated the seas of change successfully.



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